



# Lead Service Line Replacement

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# Presentation Overview

- State and Federal Regulation Updates
  - Lead Service Line Replacement and Notification Act
  - Lead and Copper Rule Improvements
- Material Service Line Inventory
  - 8,736 service lines requiring replacement
  - Two point verification of 2,845 service lines
- Draft Lead Service Line Replacement Plan
  - Financing Options
  - Existing Lead Abatement Program
  - Additionally subsidizing private side lead service line replacement
- Next Steps
  - Explore grant funding opportunities and IEPA financing options with the assistance of the IEPA Financial Assistance Section
  - Quantify impacts to the water & sewer fund for lead service line replacement financing options

# Feedback Requested

Village Board feedback is requested on the following issues:

- Draft Lead Service Line Replacement Plan
  - Timeline for lead service line replacement
  - Financing options for lead service line replacement
- Existing Lead Abatement Program
- Subsidizing future private side lead service line replacement

# Lead Service Line Replacement and Notification Act

**Passed in late 2021 in Illinois and most notably requires Community Water Systems (CWS) to facilitate the following:**

- Prohibit partial lead service line replacement beginning January 1, 2022.
- Compile a material service line inventory of all service lines connected to the CWS by April 15, 2024.
- Develop a draft lead service line replacement plan by April 15, 2024 and finalize that plan by April 15, 2027.
- Begin lead service line replacement no later than the 2027 project year at a rate of 5% lead service line replacement per year.
  - The Village qualifies for two additional extensions under this regulation, which would have allowed for a 26 year timeline.

# Lead and Copper Rule Improvements

**EPA proposed Lead and Copper Rule Improvements in late 2023, announced the final LCRI in late 2024 and codified the following in late 2025:**

- Locate and Inventory existing lead and galvanized water service lines, including validation requirements for non-lead service lines
- Replace lead service lines within 10 years
  - The Village qualifies for the deferred deadline, which requires 3.9% of all service lines replaced annually allowing for 17.9 years
- Strengthens tap sampling requirements
  - The Village is required to complete fifth liter sampling at 60 locations annually
- Lowers the Action Level to 10 ppb from 15ppb
- Requires annual notification of water service line material and lead exposure risks

# Material Service Line Inventory

Full Lead Service Line Replacement= 4,250

Private Side Replacement ONLY= 4,093

Public Side Replacement ONLY= 558

TOTAL= 8,901 (end of 2024)

Two-point Verification under LCRI= 2,845

# Draft Lead Service Line Replacement Plan

## Financial Burden

Neither the LSLRNA nor the LCRI require the Community Water System to pay for lead service line replacement.

- The total cost of both private and public side lead service line replacement is between \$107.3M and \$135M.
- The total cost of ONLY public side lead service line replacement is between \$26.9M and \$41.8M.
  - Public side replacements are densely located, requiring water main replacement and roadway reconstruction. The total cost for water main replacement, roadway reconstruction, and public side lead service line replacement is approximately \$318.5M.

# Draft Lead Service Line Replacement Plan

## Timeline

- LSLRNA allowed for 26 total years
  - Includes two eligible extensions
- LCRI allows for 17.9 years
  - Includes the eligible deferred timeline
- Current timeline is approximately 50 years
  - Requires no additional funding but is NOT compliant with either LSLRNA or LCRI

# Draft Lead Service Line Replacement Plan

## Financing Options

- Water and Sewer Fund
  - Water Main Replacement and Roadway Reconstruction
  - Existing Lead Abatement Program
- Public Water Supply Loan Program
  - Lead Service Line Replacement ONLY
  - 0% interest rate for 30 years
  - Potential for principal forgiveness is small, targeted low-income areas
  - Highly competitive and receive priority score based on demographic data

# Draft Lead Service Line Replacement Plan

## Subsidizing Private Side Lead Service Line Replacement

- Minimum Compliance Model
  - Village meets the federally mandated replacement schedule but does not assume full financial responsibility for the private side unless qualifies for PWSLP principal forgiveness
  - Lead Service Line Replacement Pilot Program (RES 26-202)
- Income-based Hybrid Model
  - Village provides full assistance for low-income households that most likely qualify for PWSLP principal forgiveness and provide capped cost sharing for other properties
- Cost Share Model
  - Village caps the private-side resident contribution and allows repayment through water bill (Skokie-style model)
  - Village caps the private and public side contributions and requires the resident to fund the remainder (River Forest-style model)
- Full Village-funded Model
  - Village funds the public and private-side replacement costs through IEPA loans, grants, and water/sewer revenues

# Next Steps

- Village staff will continue to work with the IEPA Financial Assistance Section to strategically identify smaller project areas that may qualify for principal forgiveness
- Village staff will take the feedback received from the Village Board and work with NewGen Strategies and Solutions to quantify those impacts to water and sewer rates
- Village staff will return to the Finance Committee on July 16<sup>th</sup> with recommendations for the Lead Service Line Replacement Plan based on feedback received

# Additional Resources

[Lead Service Line Replacement and Notification Act](#)

[Lead and Copper Rule Improvements](#)

[Public Water Supply Loan Program](#)

[Skokie Lead Service Line Replacement Plan](#)

[River Forest Lead Service Line Replacement Plan](#)

# QUESTIONS?